

**SCHEDULE OF RATES FOR GAS SERVICE**

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**The Peoples Gas Light and Coke Company**

**SCHEDULE OF RATES FOR GAS SERVICE**

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**TERMS AND CONDITIONS OF SERVICE**

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**Billing - continued**

The Customer Charge of Service Classification Nos. 1 and 2, shall be doubled in the computation of a bimonthly bill.

Should it be established that bimonthly billing or bimonthly meter reading with monthly billing has in any instance resulted in a customer paying for a bimonthly period an amount in excess of the total of the amounts the customer would have paid under monthly billing with monthly meter reading, the customer may, by written request made within three months after the due date of such bimonthly or monthly bill, have such excess credited on the next bill thereafter issued.

Whenever, after issuing two or more consecutive estimated bills to a customer served under Service Classification No. 1 or 2, the Company issues a bill to such customer based on a meter reading, the Company shall for the purpose of computing said bill estimate the quantity of gas taken during the billing period ending with said meter reading ("current billing period"), such estimate to be made upon the basis of said meter reading and the customer's use of service in previous billing periods and reflecting the effect of weather measured in degree days. If the meter reading difference exceeds said estimated quantity by ten percent or more but no less than 2,000 cubic feet, said bill, exclusive of charges under Rider 1 of this rate schedule, shall be the sum of the following: (a) the amount determined by applying the Distribution Charge specified in Service Classification No. 1 or 2 to the meter reading difference in therms, plus (b) the amount determined by multiplying the Gas Charge applicable to the current billing period by said estimated quantity in therms, plus (c) the amount determined by multiplying the weighted average of Gas Charges applicable to the billing periods represented by the aforesaid consecutive estimated bills by the excess in therms of the meter reading difference over said estimated quantity. As used in this paragraph, the term "meter reading difference" shall mean the difference between said meter reading and the next preceding estimated reading.

**Unaccounted For Gas Adjustment (Factor U)**

The unaccounted for adjustment shall be the amount of gas unaccounted for, for the most recent 12 months ended June, as a percentage of total gas available for deliveries, expressed as a decimal.

**\* Operational Integrity**

In order to maintain the safe and efficient operation of its system in a cost effective manner, the Company, on any Gas Day, may, but shall not be obligated to, specify the quantity of gas that it will accept at one or more of its citygate stations. It is the responsibility of each entity delivering gas to the Company's system to arrange for gas deliveries in accordance with any such specifications. The Company shall provide notice of such specifications no later than two hours prior to any applicable nomination deadlines. Nothing in this paragraph shall prevent the Company from unilaterally taking actions, in addition to or in lieu of specifying delivery requirements at citygate stations, as may be necessary to maintain system pressure and preserve the overall integrity of the Company's system or any portion thereof.

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**RIDER TO SCHEDULE OF RATES FOR GAS SERVICE**

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**Rider 2**

**Gas Charge**

**Applicable to All Service Classifications and Riders FST, SST, LST, P, SVT and AGG**

The Gas Charge, applicable to all service classifications and to Riders FST, SST, LST, P, SVT and AGG, shall be determined in accordance with the provisions of this rider.

**Section A - Applicability**

Each month the Company shall determine the Gas Charge to be placed into effect with service rendered on and after the first day of the month following the filing month. Unless otherwise ordered by the Commission, such Gas Charge shall be placed into effect for service rendered during the effective month as indicated in the reports submitted to the Commission.

A general description for each Gas Charge and its applicability shall be as follows. The monthly charge for each Gas Charge shall be determined in accordance with Section F.

**Gas Charge**

<b>Factor</b>	<b>Description</b>
GC	Gas Charge - The sum of Factor CGC and Factor NCGC and Factor TS.
CGC	Commodity Gas Charge - A commodity related, per therm, gas cost recovery mechanism applied to all Company-supplied therms delivered or estimated to be delivered.
NCGC	Non-Commodity Gas Charge - A non-commodity related, per therm, gas cost recovery mechanism applied to all Company-supplied therms delivered or estimated to be delivered.
DGC	Demand Gas Charge - A non-commodity related, per demand therm, gas cost recovery mechanism applied to the contracted backup levels of transportation customers. This charge is the backup level based counterpart to the NCGC. Revenues arising through the application of this charge will be credited to the Factor NCGC.
TS	Transition Surcharge - A gas supply realignment cost related, per therm, recovery mechanism applied to gas delivered or estimated to be delivered to customers by the Company, including the number of therms of customer-owned gas delivered by the Company.

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**Rider 2**

**Gas Charge**

**Applicable to All Service Classifications and Riders FST, SST, LST, P, SVT and AGG**

**Section A - Applicability - continued**

- \* **ABGC**      Aggregation Balancing Gas Charge – a non-commodity related, per therm, gas cost recovery mechanism applied to all therms delivered or estimated to be delivered by the Company to customers served under Rider SVT. This charge is a usage level counterpart to the NCGC. Revenues arising through the application of this charge will be credited to the Factor NCGC.

A monthly report, in a format designated by the Commission postmarked by the twentieth day of the filing month, shall show determinations of the Gas Charge for the effective month. A monthly report postmarked after that date but prior to the first day of the effective month will be submitted only if it corrects an error or errors from a timely filed report for the same effective month. Any other report postmarked after that date will be submitted only as a special permission request under the provisions of Section 9-201(a) of the Public Utilities Act [220 ILCS 5/9-201(a)].

**Section B - Definitions**

"Base period" shall mean the effective month or the remaining months in the reconciliation year which includes the effective month.

"Effective month" shall mean the month following the filing month, during which the Gas Charge will be in effect.

"Filing month" shall mean the month in which the Gas Charge is determined by the Company and submitted to the Commission.

"Gas used by the Company" shall include all gas used by the Company except gas utilized in the manufacture of gas through a reforming process, and shall include gas furnished to municipalities or other governmental authorities without reimbursement in compliance with franchise, ordinance or similar requirements.

"Reconciliation year" shall mean the 12-month period ending September 30, for which actual gas costs and associated revenues are to be reconciled.

"System average cost of gas" shall mean the weighted average cost per therm of gas estimated to be purchased, withdrawn from storage, and manufactured during the base period or reconciliation year.

"Transition Costs" shall mean any direct billed charges imposed by pipeline suppliers under the policy of the Federal Energy Regulatory Commission (FERC) set forth at 18 CFR§ 2.104 and any charges imposed by pipelines pursuant to FERC authorization for the purpose of recovering gas supply realignment costs.

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**Rider 2**

**Gas Charge**

**Applicable to All Service Classifications and Riders FST, SST, LST, P, SVT and AGG**

**Section C - Cost Basis**

Each Gas Charge shall represent the Company's estimate of recoverable gas costs (as prescribed in Section D) to be incurred during the base period, with an adjustment to such costs through use of Adjustment Factors (as prescribed in Sections E, F and G). Any Gas Charge established to recover commodity gas costs (separately or in conjunction with non-commodity gas costs) shall use an estimate of the recoverable costs to be incurred during the effective month. Any Gas Charge established to recover only non-commodity gas costs shall use an estimate of the recoverable costs to be incurred during the remaining months of the reconciliation year.

**Section D - Recoverable Gas Costs**

(a) Costs recoverable through the Gas Charge shall include the following:

- (1) costs of natural gas and any solid, liquid or gaseous hydrocarbons purchased for injection into the gas stream or purchased as feedstock or fuel for the manufacture of gas, or delivered under exchange agreements;
- (2) costs for storage services purchased;
- (3) transportation costs related to such natural gas and any solid, liquid or gaseous hydrocarbons and any storage services; and
- (4) other out-of-pocket direct non-commodity costs, related to hydrocarbon procurement, transportation, supply management, or price management, net of any associated proceeds, and Federal Energy Regulatory Commission approved charges required by pipeline suppliers to access supplies or services described in subsections (a)(1) through (3) of this Section.

(b) Determinations of the Gas Charge shall exclude the actual cost of gas to be used by the Company. Gas used by the Company will be provided for by purchasing supplies separately from supplies purchased for customers.

(c) The cost of gas estimated to be withdrawn from storage during the base period shall be included in the Gas Charge.

(d) Recoverable gas costs shall be offset by the revenues derived from transactions at rates that are not subject to the Gas Charge if any of the associated costs are recoverable gas costs as prescribed by subsection (a) of this Section. This subsection shall not apply to transactions subject to rates contained in tariffs on file with the Commission, or in contracts entered into pursuant to such tariffs, unless otherwise specifically provided for in the tariff.

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Rider 2

Gas Charge

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Applicable to All Service Classifications and Riders FST, SST, LST, P, SVT and AGG

**Section D - Recoverable Gas Costs - continued**

- (e) Revenues from penalty charges or imbalance charges, which the Commission has previously approved to prevent unauthorized actions of customers, shall offset gas costs.
- \* (f) Revenues arising from cashout as defined in Section E of Rider TB and Sections D and F of Rider AGG of this rate schedule shall offset gas costs. Gas purchased by the Company through cashout pursuant to Section E of Rider TB, Sections G and H of Rider FST, Sections H and I of Rider SST, Sections H, I and J of Rider LST, Sections G, H and I of Rider P and Sections D, F and K of Rider AGG of this rate schedule shall be treated as gas costs recoverable under this Section.

**Section E - Adjustments to Gas Costs**

- (a) The Adjustment Factor (Factor A) shall be treated as an addition to or an offset against actual gas costs. This Adjustment Factor shall include the total of the following items:
  - (1) Refunds, directly billed pipeline surcharges, unamortized balances of adjustments in effect as of the Company's implementation date, and other separately designated adjustments;
  - (2) the difference between actual recoverable gas costs and gas cost recoveries for the months preceding the filing month; and
  - (3) the unamortized portion of any Adjustment Factors included in prior determinations of the Gas Charge.
- (b) If the Company determines the need to amortize the Adjustment Factor over a period longer than the base period, this Adjustment Factor shall be amortized over a period not to exceed 12 months. The Company shall, in the monthly filing in which Factor A is first amortized, include an amortization schedule showing the Adjustment Factor amount to be included in the base period. The associated carrying charge established by the Commission under 83 Ill. Adm. Code 280.70(e)(1) and in effect when the Adjustment Factor is first amortized shall be applied to each month's unamortized balance and included within Factor A.

\* **Section F - Determination of Gas Charge**

- (a) Each month the Company shall determine under this Section the Commodity Gas Charge (CGC), Non-Commodity Gas Charge (NCGC), the Demand Gas Charge (DGC), the Transition Surcharge (TS) and the Aggregation Balancing Gas Charge (ABGC) to be placed into effect for service rendered during the effective month.

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**Gas Charge**

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**Section F - Determination of Gas Charge - continued**

(b) Each type of Gas Charge shall be determined in accordance with the following formula:

$$GC = \left[ \frac{G \pm A \pm O}{T} \right] \times 100$$

Where: GC = The Gas Charge for the applicable type of gas cost in cents per therm rounded to the nearest 0.01¢; any fraction of 0.01¢ shall be dropped if less than 0.005¢ or, if 0.005¢ or more, shall be rounded up to the next full 0.01¢.

G = Factor G, as defined for each type of Gas Charge determined by the Company under this Section.

A = Factor A, as defined for each type of Gas Charge determined by the Company under this Section.

O = Factor O, as defined for each type of Gas Charge determined by the Company under this Section including interest charged at the rate established by the Commission under 83 Ill. Adm. Code 280.70(e)(1) from the end of the reconciliation year to the order date in the reconciliation proceeding. If the Commission determines it is necessary to amortize the additional over or under recovery, additional interest shall be charged in the same manner as that prescribed in subsection (b) of Section E.

T = Factor T, as defined for each type of Gas Charge determined by the Company under this Section.

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**Rider 2**

**Gas Charge**

**Applicable to All Service Classifications and Riders FST, SST, LST, P, SVT and AGG**

**Section F - Determination of Gas Charge - continued**

Determination of Gas Charge (Factor GC):

Factor GC shall be the sum of Factors CGC, NCGC and TS.

Determination of Commodity Gas Charge (Factor CGC):

Factor CGC shall be determined according to the Gas Charge formula as defined in subsection (b) of Section F, and shall utilize a base period equal to the effective month.

Where: G = The sum of the commodity-related gas costs as specified in subsection (a) through subsection (f) of Section D less commodity-related costs of gas injected into storage for the base period.

A = The sum of commodity-related adjustments to gas costs as specified in subsection (a) and subsection (b) of Section E.

O = The amount of the over or under recovery of commodity-related gas costs as ordered by the Commission.

T = The estimated therms sold by the Company of gas associated with service to be rendered during the base period.

Determination of Non-Commodity Gas Charge (Factor NCGC):

Factor NCGC shall be determined according to the Gas Charge formula as defined in subsection (b) of Section F and shall utilize a base period equal to the remaining months of the reconciliation year, including the effective month.

\* Where: G = The sum of non-commodity-related gas costs estimated for the base period as specified in subsection (a) through subsection (f) of Section D. Such costs shall be reduced by the total Demand Gas Charge revenue arising from the application of Factor DGC and the total Aggregation Balancing Gas Charge revenue arising from the application of Factor ABGC.

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**RIDER TO SCHEDULE OF RATES FOR GAS SERVICE**

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**Rider 2**

**Gas Charge**

**Applicable to All Service Classifications and Riders FST, SST, LST, P, SVT and AGG**

**Section F - Determination of Gas Charge - continued**

- A = The sum of non-commodity-related adjustments to gas costs as specified in subsection (a) and subsection (b) of Section E.
- O = The amount of the over or under recovery of non-commodity-related gas costs as ordered by the Commission.
- T = The estimated therms sold by the Company associated with service to be rendered during the base period.

**Determination of Demand Gas Charge (Factor DGC):**

Factor DGC is applicable to standby gas service as provided in Riders FST, SST and LST. Factor DGC shall be determined according to the Gas Charge formula as defined in subsection (b) of Section F and shall utilize a base period equal to the remaining months of the reconciliation year including the effective month.

- Where:
- G = The sum of non-commodity-related gas costs estimated for the base period as specified in subsection (a) through subsection (f) of Section D.
- A = The sum of non-commodity-related adjustments to gas costs as specified in subsection (a) and subsection (b) of Section E.
- O = The amount representing the over or under recovery of non-commodity-related gas costs as ordered by the Commission.
- T = System supply design peak day requirements stated in therms multiplied by the number of remaining months in the reconciliation year.

**Determination of Transition Surcharge (Factor TS):**

Factor TS shall be determined according to the Gas Charge formula as defined in subsection (b) of Section F and shall utilize a base period equal to the remaining months of the reconciliation year including the effective month.

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**Rider 2**

**Gas Charge**

**Applicable to All Service Classifications and Riders FST, SST, LST, P, SVT and AGG**

**Section F - Determination of Gas Charge - continued**

Where: G = The sum of the Company's projected transition costs, including pipeline interest for the base period.

A = The sum of transition cost related adjustments to gas costs as specified in subsection (a) and subsection (b) of Section E.

O = The amount of the over or under recovery of transition costs as ordered by the Commission.

T = The estimated therms of gas delivered to customers by the Company including the number of therms of customer-owned gas delivered by the Company during the base period.

All costs formerly recovered through Factor TP shall be recovered through Factor TS.

**\*\* Determination of Aggregation Balancing Gas Charge (Factor ABGC):**

Factor ABGC is applicable to all therms delivered or estimated to be delivered to customers by the Company under Rider SVT. Factor ABGC shall be determined according to the Gas Charge formula as defined in subsection (b) of Section F and shall utilize a base period equal to the remaining months of the reconciliation year, including the effective month.

Where: G = The sum of non-commodity-related gas costs estimated for the base period as specified in subsection (a) through subsection (f) of Section D, excluding firm transportation costs that do not support the Company's storage and balancing services.

A = The sum of non-commodity-related adjustments to gas costs as specified in subsection (a) and subsection (b) of Section E.

O = The amount of the over or under recovery of non-commodity-related gas costs as ordered by the Commission.

T = The estimated therms sold by the Company associated with service to be rendered during the base period plus the estimated therms delivered to customers served under Rider SVT during the base period.

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**Rider 2**

**Gas Charge**

**Applicable to All Service Classifications and Riders FST, SST, LST, P, SVT and AGG**

**Section G - Annual Reconciliation**

- (a) In conjunction with a docketed reconciliation proceeding, the Company shall file with the Commission an annual reconciliation statement, which shall be certified by the Company's independent public accountants and verified by an officer of the Company. This statement shall show the difference between the following:
- (1) The costs recoverable through the Gas Charge during the reconciliation year, as adjusted by Factor A and Factor O, and
  - (2) the revenues arising through the application of the Gas Charge applicable terms during the reconciliation year.
- (b) If, after hearing, the Commission finds that the Company has not shown all costs to be prudently incurred or has made errors in its reconciliation statement for such reconciliation year, the difference determined by the Commission shall be refunded or recovered, as appropriate, under the Ordered Reconciliation Factor (Factor O), along with any interest or other carrying charge authorized by the Commission.

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## RIDER TO SCHEDULE OF RATES FOR GAS SERVICE

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## Rider SVT

Small Volume Customer Transportation Service

Applicable to Service Classification Nos. 1 and 2

**Availability**

Transportation service under this rider is available to customers who meet the following criteria:

- 1) satisfies each of the qualifications set forth in Section B of this rider,
- 2) is a customer under Service Classification No. 1 or 2 at a single point of metering, and
- 3) contracts with an SVT Supplier.

**Section A – Definitions**

As used in this rider, the terms below are defined as follows:

**Application Period** for Service Classification No. 2 customers began September 1, 2000, and remains open. The Application Period for Service Classification No. 1 customers shall begin May 1, 2002, and shall remain open subject to Enrollment Limits.

**Billing Cycle** shall mean the regular periodic interval for reading the meter or estimating the consumption of a customer for billing purposes.

**Companion Classification** shall mean Service Classification No. 1 or 2.

**Enrollment Limits** shall mean the maximum number of Service Classification No. 1 customers that can enroll in the Program during the following periods.

Enrollment Limits shall be:

May 1, 2002 through April 30, 2003:	75,000 customers
May 1, 2003 through April 30, 2004:	125,000 customers
May 1, 2004 through April 30, 2005:	180,000 customers

The Company may, at any time, increase Enrollment Limits by making an informational filing with the Illinois Commerce Commission. If the Enrollment Limit is reached at any time, enrollment may be suspended at the Company's sole discretion. On or before March 1, 2005, the Company shall make an informational filing with the Illinois Commerce Commission to establish Enrollment Limits after April 30, 2005.

**Maximum Daily Quantity (MDQ)** shall mean the quantity, in therms, calculated by the Company, equal to the customer's metered gas requirements in the billing period with the customer's highest requirements ending in the most recent December through February period, adjusted to a 30 day equivalent basis and divided by 21.

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**RIDER TO SCHEDULE OF RATES FOR GAS SERVICE**

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**Rider SVT**

**Small Volume Customer Transportation Service**

**Applicable to Service Classification Nos. 1 and 2**

**Section A – Definitions - continued**

The Company shall recalculate the customer's MDQ each March. The customer's MDQ shall remain in effect for the one year period commencing April 1, unless revised by the Company, in its sole judgment, based on evidence of changed usage or as required in connection with a Transfer of Service, as defined in Section D of this rider.

**Pool** shall mean the group of Rider SVT customers that contract with an SVT Supplier. Pools must include a minimum of 50 customers.

**Program** shall mean service under this rider known as Choices For You<sup>sm</sup>.

**SVT Supplier** shall mean any supplier who executes a written contract with the Company for service under Rider AGG.

**Section B – Customer Qualifications**

To take service under this rider, a customer must:

- 1) for Service Classification No. 2 customers only, have annual (or 365 day equivalent) usage of less than or equal to 50,000 therms based on billed consumption during the most recent twelve month period,
- 2) have an actual meter read within a period acceptable to the Company,
- 3) enter into a contract with an SVT Supplier during the Application Period,
- 4) be a member of a Pool, and
- 5) provide the Company regular access to the meter.

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**RIDER TO SCHEDULE OF RATES FOR GAS SERVICE**

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**Rider SVT**

**Small Volume Customer Transportation Service**

**Applicable to Service Classification Nos. 1 and 2**

**Section C - Rates**

The rates for service hereunder shall consist of a Factor TS Charge as well as those charges defined in the customer's Companion Classification, excluding the Gas Charge.

**Factor TS Charge**

The monthly Factor TS Charge shall be an amount equal to (i) all therms delivered to the customer under this rider, multiplied by (ii) the effective Factor TS determined under Rider 2.

**Late Payment Charge**

A charge for late payment shall be determined under the Late Payment Charge provision in the Terms and Conditions of Service of this rate schedule.

**Reimbursement for Taxes**

In addition to the charges under Rider 1, the customer shall reimburse the Company for any taxes that the Company shall be required to pay or obligated to collect from the customer in respect of service hereunder. The Company shall bill the customer monthly for any such taxes, and for any costs which the Company is specifically authorized by law to recover from the customer incident to such taxes.

**Section D - Terms and Conditions of Service**

Service shall be provided hereunder whenever and to the extent that SVT Supplier-owned gas has been delivered for the customer to the Company's system in accordance with the contract entered into between the customer's SVT Supplier and the Company hereunder.

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**RIDER TO SCHEDULE OF RATES FOR GAS SERVICE**

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**Rider SVT**

**Small Volume Customer Transportation Service**

**Applicable to Service Classification Nos. 1 and 2**

**Section D - Terms and Conditions of Service - continued**

The gas delivered by the Company hereunder shall be measured in accordance with the Terms and Conditions of Service of this rate schedule.

Except as noted, this rider is subject to Terms and Conditions of Service and Riders to Schedule of Rates for Gas Service, which are applicable to this rider.

**Initiation of Service**

For a customer receiving service under this rider, the effective date of service shall be the first day of the customer's Billing Cycle after the customer's enrollment in the Program has been accepted by the Company, but, for Service Classification No. 1, in no event prior to June 1, 2002.

**Termination of Service**

Customers may elect to terminate service under this rider. However, a customer may not terminate and subsequently renew service under this rider within a twelve month period if service is not renewed under this rider within sixty days of such termination.

A customer electing to terminate service under this rider must contact their elected SVT Supplier. The effective date of termination shall be the first day of the customer's next Billing Cycle following the date the SVT Supplier notifies the Company of the intended termination.

The Company may terminate service to the customer due to non-payment of Company charges or non-compliance with the provisions of this rider. Termination for non-payment of Company charges shall be in accordance with 83 Illinois Administrative Code Part 280. Except for non-payment of Company charges, if the customer shall fail to comply with or perform any of the conditions or obligations on the customer's part to be complied with or performed under this rider, the Company may terminate all service under this rider 10 days after providing written notice of the Company's intention to terminate service unless within such 10 days the customer shall make good such failure. The termination of service for any such cause shall not release the customer from the obligation to make payment of any amounts due or to become due in accordance with terms of this rider.

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**Rider SVT**

**Small Volume Customer Transportation Service**

**Applicable to Service Classification Nos. 1 and 2**

**Section D - Terms and Conditions of Service - continued**

The SVT Supplier may terminate service to the customer subject to contractual provisions between the SVT Supplier and the customer; provided, however, SVT Suppliers must provide the customer at least 30 days written notice prior to the date of the intended termination. The effective date of termination shall be the first day of the customer's next Billing Cycle following the date the SVT Supplier provides notice to the Company. In the event of SVT Supplier-initiated termination, the customer may return to retail service under the Companion Classification. The customer has the option of contracting with a different SVT Supplier, subject to the provisions described in Changing SVT Suppliers and Termination of Service of this rider.

**Transfer of Service**

A customer who requests that service be terminated at the current premises in conjunction with the initiation of service at a different premises within the Company's service territory may remain on this rider, provided that service at the different premises meets the requirements of Section B of this rider and subject to the provisions described in Termination of Service of this rider.

**Changing SVT Suppliers**

Customers may change SVT Suppliers no more than once each Billing Cycle. It is the customer's responsibility to coordinate any required contractual arrangements with the SVT Supplier.

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**Rider SVT**

**Small Volume Customer Transportation Service**

**Applicable to Service Classification Nos. 1 and 2**

**Section D - Terms and Conditions of Service - continued**

**Bills to Customer**

Customers shall receive a bill from the Company for charges defined in Section C of this rider. The bill from the Company shall contain the information required by 83 Illinois Administrative Code Part 500. Bills from the Company shall be issued to customers on a monthly or bimonthly basis.

The customer shall be billed by the Company and remit payments to the Company for the SVT Supplier's charges, if the SVT Supplier, acting as agent for the customer, has (a) entered into an agreement with the Company for such billing services, and (b) informed the Company that this customer is to receive such service. If no such agreement between the SVT Supplier and the Company is reached, or the customer has not been designated by the SVT Supplier to take such service, customers shall receive a separate bill from the SVT Supplier for contractually agreed charges.

**Third-Party Billing**

Customers receiving service under this rider shall not be allowed to designate their SVT Supplier as the bill recipient for bills rendered by the Company.

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**RIDER TO SCHEDULE OF RATES FOR GAS SERVICE**

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**Rider AGG**

**Aggregation Service**

**Applicable to Rider SVT**

Available to SVT Suppliers (marketers and brokers) who execute a written contract for service hereunder.

**Section A - Definitions**

As used in this rider, the terms below are defined as follows:

**Aggregation Service** shall mean a service provided by the Company that allows SVT Suppliers to deliver gas to the Company, on an aggregated basis, for the Rider SVT customers that comprise the membership of the SVT Supplier's Pool.

**Application Period** for Service Classification No. 2 customers began September 1, 2000, and remains open. The Application Period for Service Classification No. 1 customers shall begin May 1, 2002, and shall remain open subject to the Enrollment Limits in Rider SVT.

**Billing Cycle** shall mean the regular periodic interval for reading the meter or estimating the consumption of a customer for billing purposes.

**Critical Day** shall have the meaning ascribed to it in Rider SST. Each such Critical Day shall, as described in Rider SST, be designated a Supply Shortage Day or a Supply Surplus Day.

**Customer of Record** shall mean the person whose name appears on the Company's records as having agreed to pay for utility service at the premises for which service under Rider SVT shall be provided. Person shall be defined as in 83 Illinois Administrative Code Part 280.

**Daily Imbalance-Overage** shall mean the number of therms by which the SVT Supplier's actual deliveries to the Company on any Gas Day are greater than the RDDQ, as adjusted for the applicable tolerance described in Section E of this rider.

**Daily Imbalance-Underage** shall mean the number of therms by which the SVT Supplier's actual deliveries to the Company on any Gas Day are less than the RDDQ, as adjusted for the applicable tolerance described in Section E of this rider.

**Daily Index, Common High** shall mean the price published in "Gas Daily" under the headings Citygates, Chicago-LDCs, large e-us, Common (high price in the range) on the Gas Day of Flow, or any successor to that index.

**Daily Index, Common Low** shall mean the price published in "Gas Daily" under the headings Citygates, Chicago-LDCs, large e-us, Common (low price in the range) on the Gas Day of Flow, or any successor to that index.

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**RIDER TO SCHEDULE OF RATES FOR GAS SERVICE**

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**Rider AGG**

**Aggregation Service**

**Applicable to Rider SVT**

**Section A - Definitions - continued**

**First of Month Index** shall mean the price first published each month in "Natural Gas Intelligence Weekly Gas Price Index" under the headings Cash Market Prices, Chicago Citygate, Avg. or any successor to that index.

**Injection Period** shall mean the period from April 1 through October 31.

**Monthly Adjusted Deliveries** shall mean the sum of the SVT Supplier's actual daily deliveries to the Company in the month, adjusted to exclude daily deliveries outside the applicable tolerances described in Section E of this rider.

**Monthly Cash-out Quantity** shall mean the difference between the Monthly Adjusted Deliveries and the Pool's consumption, adjusted for the applicable MSA during the calendar month as determined by the Company.

**Monthly Storage Activity (MSA)** - For each month in the Withdrawal Period, MSA shall be a quantity in therms determined by multiplying the Pool MSQ by a monthly percentage established by the Company. The sum of the monthly percentages for the Withdrawal Period shall total 100 percent. For each month in the Injection Period, MSA shall be the result of multiplying the Pool MSQ by the monthly percentage established by the Company. The sum of the monthly percentages for the Injection Period shall total 100 percent. MSA shall always be rounded to the nearest whole therm value.

**Pool** shall mean the group of Rider SVT customers that the SVT Supplier establishes under its contract with the Company. A Pool must include a minimum of 50 customers.

**Pool Maximum Daily Quantity (Pool MDQ)** shall mean the sum of the MDQs, as determined under Rider SVT, of customers in the Pool. The Pool MDQ shall be recalculated each month to reflect additions and deletions of customers.

**Pool Maximum Storage Quantity (Pool MSQ)** shall mean the Pool MDQ determined prior to the first day of each month during the Injection Period multiplied by the number of days of bank provided in the Company's base rates and through the Company's gas charge rates, as shown on the information sheet filed with the Commission on the most recent March 1 of each year. The Pool MSQ shall remain constant during the Withdrawal Period and shall equal the total injected amount during the prior Injection Period.

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**Rider AGG**

**Aggregation Service**

**Applicable to Rider SVT**

**Section A - Definitions - continued**

**Pool Unaccounted for Gas** shall mean the quantity of SVT Supplier-owned gas the Company shall retain, at the time of delivery into the Company's system, representing the Pool's proportionate share of unaccounted for gas. Such quantity shall equal the number of therms delivered by the SVT Supplier to the Company's system under this rider multiplied by the effective Factor U, as defined in the Terms and Conditions of Service.

**Required Daily Delivery Quantity (RDDQ)** shall mean the quantity of gas, determined as described in Section E of this rider, that the SVT Supplier is required to deliver to the Company each Gas Day.

**Required Monthly Delivery Quantity (RMDQ)** for each month shall mean the quantity of gas equal to the sum of the RDDQs for each Gas Day in such month.

**Withdrawal Period** shall mean the period from November 1 through March 31.

**Section B - Supplier Qualifications**

A SVT Supplier must:

- 1) complete the application process, as described in Section C of this rider,
- 2) enter into a contract with the Company, and
- 3) enter into agreement with at least 50 Rider SVT customers. The SVT Supplier shall warrant that it has obtained agreement with each Customer of Record in the Pool.

**Section C - Application Process**

Applicants must complete the application process before enrolling customers. A complete application shall include the Application Charge described in Section D of this rider and the following documentation:

- 1) Credit report, and
- 2) Signed marketer application.

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**Rider AGG**

**Aggregation Service**

**Applicable to Rider SVT**

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**Section C - Application Process - continued**

Applicants must also provide the following documents that are required for the Company to determine the form of adequate assurances of payment that the SVT Supplier may provide and for informational purposes:

- 1) Latest financial statements,
- 2) Current Annual Report, if applicable,
- 3) Latest 10K or 10Q, if applicable,
- 4) The name, address, and telephone number of three utility references,
- 5) Organizational structure of parent corporation and affiliate companies,
- 6) Disclosure of current or pending operation under bankruptcy or insolvency laws, and
- 7) Disclosure of current or pending legal proceedings related to providing natural gas transportation service to residential, commercial, or industrial customers.

Applicants who are not currently operating a pool under Rider P or under Rider P or Rider AGG of North Shore Gas Company's Schedule of Rates for Gas Service shall be required to include documentation demonstrating business experience as a supplier to residential, commercial, or industrial customers.

Standard credit factors shall be used to evaluate the eligibility of suppliers.

**Section D - Rates**

The rates for service hereunder shall consist of an Application Charge, an Aggregation Charge, an Aggregation Balancing Charge, a Cash-out Charge, a Customer Pool Activation Charge, an Under-delivery Charge, and an Over-delivery Charge.

**Application Charge**

The Application Charge shall be \$2,000 per applicant. Payment is due with the application. The Application Charge shall be refunded in full if the applicant does not meet the qualifications described in Sections B (1) and B (2) of this rider.

**Aggregation Charge**

The monthly Aggregation Charge shall be \$200 per Pool plus \$1.25 per customer in such Pool.

**Aggregation Balancing Charge**

The monthly Aggregation Balancing Charge shall be the Aggregation Balancing Gas Charge as defined in Rider 2 multiplied by the Pool's monthly consumption.

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**Section D - Rates - continued**

**Rider AGG**

**Aggregation Service**

**Applicable to Rider SVT**

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**Cash-out Charge**

The monthly Cash-out Charge shall be the Pool's Monthly Cash-out Quantity multiplied by 100% of the AMIP as defined in Section E of Rider TB. In addition, the Cash-out Charge shall include a charge of \$1.00 for each therm by which the Monthly Adjusted Deliveries are greater or less than the RMDQ by 1 percent.

**Customer Pool Activation Charge**

The Customer Pool Activation Charge shall be \$10 per customer added to a Pool.

**Under-delivery Charge**

The **Under-delivery Charge** payable by the SVT Supplier to the Company is determined based on daily data and shall be the sum of the applicable Under-delivery Imbalance Charge, cashed-out on the tiered basis shown below, and the applicable Non-Critical Day Charge or Critical Day Charge applied to the Daily Imbalance-Underage. The Imbalance Level shall be determined as the percentage of the Daily Imbalance-Underage, adjusted to include deliveries within the applicable tolerance described in Section E of this rider, compared with the RDDQ.

**UNDER-DELIVERY CHARGE - NON-CRITICAL DAYS**

The **Under-delivery Imbalance Charge** shall be determined for Non-Critical Days as follows:

Imbalance Level	Under-delivery Charge
0% to 3%	no charge
greater than 3% to 5%	100% of the higher of the Daily Price, Common High or the First of Month Index, plus the Non-Critical Day Charge
greater than 5% to 10%	110% of the higher of the Daily Price, Common High or the First of Month Index, plus the Non-Critical Day Charge
greater than 10% to 20%	120% of the higher of the Daily Price, Common High or the First of Month Index, plus the Non-Critical Day Charge
greater than 20%	140% of the higher of the Daily Price, Common High or the First of Month Index, plus the Non-Critical Day Charge

The **Non-Critical Day Charge** for a Non-Critical Day shall be \$0.50 per therm of Daily Imbalance-Underage.

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Section D - Rates - continued

Rider AGG

Aggregation Service

Applicable to Rider SVT

**UNDER-DELIVERY CHARGE - CRITICAL SUPPLY SHORTAGE DAYS**

The **Under-delivery Imbalance Charge** shall be determined for Critical Supply Shortage Days as follows:

Imbalance Level	Under-delivery Charge
0% to 1%	100% of the higher of the Daily Price, Common High or the First of Month Index, plus the Critical Day Charge
greater than 1% to 5%	110% of the higher of the Daily Price, Common High or the First of Month Index, plus the Critical Day Charge
greater than 5% to 10%	120% of the higher of the Daily Price, Common High or the First of Month Index, plus the Critical Day Charge
greater than 10%	140% of the higher of the Daily Price, Common High or the First of Month Index, plus the Critical Day Charge

The **Critical Day Charge** for a Critical Supply Shortage Day shall be \$6.00 per therm of Daily Imbalance-Underage.

**UNDER-DELIVERY CHARGE - CRITICAL SUPPLY SURPLUS DAYS**

The **Under-delivery Imbalance Charge** shall be determined for Critical Supply Surplus Days as follows:

Imbalance Level	Under-delivery Charge
0% to 3%	no charge
greater than 3%	100% of the higher of the Daily Price, Common High or the First of Month Index, plus the Critical Day Charge

The **Critical Day Charge** for a Critical Supply Surplus Day shall be \$0.50 per therm of Daily Imbalance-Underage.

**Over-delivery Charge**

The **Over-delivery Charge** is determined based on daily data and shall be the net amount determined by offsetting the amount that the Company owes the SVT Supplier for the applicable

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Section D - Rates - continued

Rider AGG

Aggregation Service

Applicable to Rider SVT

Over-delivery Imbalance Charge, cashed-out on the tiered basis shown below with the amount that the SVT Supplier owes the Company for the applicable Non-Critical Day Charge or Critical Day Charge applied to the Daily Imbalance-Overage. The Imbalance Level shall be determined as the percentage of the Daily Imbalance-Overage, adjusted to include deliveries within the applicable tolerance described in Section E of this rider, compared with the RDDQ.

**OVER-DELIVERY CHARGE - NON-CRITICAL DAYS**

The Over-delivery Imbalance Charge shall be determined for Non-Critical Days as follows:

Imbalance Level	Over-delivery Charge
0% to 3%	no charge
greater than 3% to 5%	100% of the lower of the Daily Price, Common Low or the First of Month Index, plus the Non-Critical Day Charge
greater than 5% to 10%	90% of the lower of the Daily Price, Common Low or the First of Month Index, plus the Non-Critical Day Charge
greater than 10% to 20%	80% of the lower of the Daily Price, Common Low or the First of Month Index, plus the Non-Critical Day Charge
greater than 20%	60% of the lower of the Daily Price, Common Low or the First of Month Index, plus the Non-Critical Day Charge

The Non-Critical Day Charge for a Non-Critical Day shall be \$0.50 per therm of Daily Imbalance-Overage.

**OVER-DELIVERY CHARGE - CRITICAL SUPPLY SHORTAGE DAYS**

The Over-delivery Imbalance Charge shall be determined for Critical Supply Shortage Days as follows:

Imbalance Level	Over-delivery Imbalance Charge
0% to 3%	no charge
greater than 3%	100% of the lower of the Daily Price, Common Low or the First of Month Index, plus the Critical Day Charge

The Critical Day Charge for a Critical Supply Shortage Day shall be \$0.50 per therm of Daily Imbalance-Overage.

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**Aggregation Service**

**Applicable to Rider SVT**

**Section D - Rates - continued**

**OVER-DELIVERY CHARGE - CRITICAL SUPPLY SURPLUS DAYS**

The **Over-delivery Imbalance Charge** shall be determined for Critical Supply Surplus Days as follows:

Imbalance Level	Over-delivery Charge
0% to 1%	100% of the lower of the Daily Price, Common Low or the First of Month Index, plus the Critical Day Charge
greater than 1% to 5%	90% of the lower of the Daily Price, Common Low or the First of Month Index, plus the Critical Day Charge
greater than 5% to 10%	80% of the lower of the Daily Price, Common Low or the First of Month Index, plus the Critical Day Charge
greater than 10%	60% of the lower of the Daily Price, Common Low or the First of Month Index, plus the Critical Day Charge

The **Critical Day Charge** for a Critical Supply Surplus Day shall be \$6.00 per therm of Daily Imbalance-Overage.

**Late Payment Charge**

A charge for late payment shall be determined under the Late Payment Charge provision in the Terms and Conditions of Service of this rate schedule.

**Reimbursement for Taxes**

In addition to the charges under Rider 1, the SVT Supplier shall reimburse the Company for any taxes which the Company shall be required to pay or obligated to collect from the SVT Supplier in respect of service hereunder. The Company shall bill the SVT Supplier monthly for any such taxes, and for any costs which the Company is specifically authorized by law to recover from the SVT Supplier incident to such taxes.

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**Section E - Delivery Determination**

The SVT Suppliers shall be informed of the RDDQ for each Gas Day. This information shall be provided to the SVT Suppliers by the Company no later than 8:30 a.m. Central Time on the business day prior to the Gas Day of flow. If the Company has, for any reason, not posted on the Company's electronic bulletin board or otherwise notified the SVT Suppliers of the RDDQ on or before 8:45 a.m. Central Time on any Gas Day, the SVT Supplier shall be required to deliver to the Company a quantity of gas equal to the RDDQ that the Company previously forecast for such Gas Day. The RDDQ shall be calculated using the Company's estimation procedure. The procedure shall incorporate the unique heating and non-heating factors for each customer in the Pool, actual weather forecasts, an adjustment for Pool Unaccounted for Gas, and the applicable MSA divided by the number of Gas Days in the month. The factors used to derive the RDDQ shall be provided to the SVT Suppliers. On each Non-Critical Day, the SVT Supplier shall be required to deliver to the Company a quantity of gas within the range defined by the RDDQ plus or minus 3 percent of the RDDQ (rounded to the nearest dekatherm). On each Critical Supply Surplus Day, the SVT Supplier shall be required to deliver to the Company a quantity of gas equal to the RDDQ, but in no event less than the RDDQ minus 3 percent of the RDDQ (rounded to the nearest dekatherm). On each Critical Supply Shortage Day, the SVT Supplier shall be required to deliver to the Company a quantity of gas equal to the RDDQ, but in no event more than the RDDQ plus 3 percent of the RDDQ (rounded to the nearest dekatherm). At the end of each month, the Monthly Adjusted Deliveries shall be within plus or minus 1 percent of the RDDQ (rounded to the nearest dekatherm).

**Section F - Contract with the SVT Supplier**

The contract between the Company and a SVT Supplier hereunder shall continue for an initial term ending on the first March 31 following the effective date thereof, and from year to year thereafter, subject to the right of either party to terminate the contract at the end of the initial term or of any such year to year extension thereof by written notice to the other given not less than 30 days prior to the date of such intended termination; provided, however, that in the event of termination, all amounts due the Company shall forthwith be paid. Upon termination of the contract, the customer shall cash-out at 100 percent of the AMIP as defined under Section E of Rider TB, the Pool MSQ, adjusted for the cumulative MSA at the time of termination, and, pursuant to Section D, Cash-out Charge, the Monthly Cash-out Quantity.

SVT Suppliers must provide adequate assurances of payment to the Company. Such assurances shall be an irrevocable standby letter of credit drawn on a bank acceptable to the Company, cash deposit, or parental guarantee, based upon Company's determination of qualifications. The amounts shall be determined annually, by November 1 each year, based on the customers served by the SVT Supplier.

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Applicable to Rider SVT

**Section F - Contract with the SVT Supplier - continued**

The contract between the Company and the SVT Supplier shall provide for:

- 1) the measurement of SVT Supplier-owned gas delivered to the Company and minimum quality specifications for such gas,
- 2) the rate or rates of delivery of gas transported for any SVT Supplier hereunder and the pressure at which such gas is to be delivered, and
- 3) the procedure by which the SVT Supplier shall nominate SVT Supplier-owned gas to the Company.

**Section G - Maximum Storage Quantity**

SVT Suppliers shall be required to deliver the full amount of the Pool MSQ during the Injection Period of each year. The amount of gas to be injected or withdrawn from storage shall be determined by the Company and included in the determination of RDDQs. The injected amounts shall be determined, in the Company's sole discretion, consistent with the Company's storage activity plan and the estimated requirements of the SVT Supplier's Pool. The withdrawal amounts shall be determined, in the Company's sole discretion, consistent with the Company's storage activity plan and the requirement that 100 percent of the Pool MSQ be withdrawn by the last day of the Withdrawal Period of each year.

The Pool MSQ shall be determined on a monthly basis during the Injection Period based on the customer list submitted to the Company by the fifteenth (15th) day of each month prior to gas flow. The Pool MSQ shall be determined in October of each year to remain constant during the Withdrawal Period based on the total injected amount during the prior Injection Period. The Company shall notify SVT Suppliers of the Pool MSQ, and the daily delivery requirements for the Pool MSQ, on or around the twentieth (20th) day of each month prior to gas flow.

**Section H - Bills to Rider SVT Customers**

Each bill to Rider SVT customers rendered by a SVT Supplier must display the SVT Supplier's customer inquiry telephone number and the Company's emergency telephone number. Each such bill shall also use the Company's measurement of the Rider SVT customer's usage and the Company's billing period for billing purposes.

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**Section I - Contracts between SVT Suppliers and Rider SVT Customers**

Any contract between a SVT Supplier and a Rider SVT customer must:

- 1) be in clear and plain language,
- 2) not require that a Rider SVT customer take services other than that provided for by Rider SVT,
- 3) set forth any protections that have been waived by a Rider SVT customer, and
- 4) include a description of the dispute resolution procedure used by the SVT Supplier.

**Section J - Customer Information**

The SVT Supplier shall furnish the Company, by electronic data transmission in a manner determined by the Company, a listing of each customer to be included in a Pool. Such listing shall include the customer's account number, meter number, name, and address. The SVT Supplier shall warrant that it has obtained authorization from each customer specifying the SVT Supplier as the sole agent for the customer and shall agree to provide to the Company access to agency or other agreements for purposes of auditing compliance.

**Section K - Terms of Service**

Service shall be provided hereunder whenever and to the extent that SVT Supplier-owned gas has been delivered for the SVT Supplier to the Company's system in accordance with the contract between the SVT Supplier and the Company hereunder.

In the event there is an interruption or curtailment of the Company's gas supply, all SVT Supplier-owned gas delivered to the Company shall be made available to the Pool, except that the Company may interrupt deliveries of SVT Supplier-owned gas to the Pool for reasons of limitation of system capacity to the same extent that service to the Pool would be interrupted or curtailed absent service under this rider. For the purpose of this paragraph, system capacity shall include storage capacity from all sources. Notwithstanding the foregoing, in the event there is an interruption or curtailment of the Company's gas supply which, in the Company's sole judgment, would have the effect of impairing or interfering with an activity essential to the health or safety of the community the Company shall be entitled to interrupt deliveries of SVT Supplier-owned gas to the Pool and use such gas to serve sales customers. The sole compensation per therm for such an interruption and use of SVT Supplier-owned gas shall be 100 percent of the AMIP as defined under Section E of Rider TB plus \$1.50 per therm.

The delivery of SVT Supplier-owned gas by the SVT Supplier to the Company's system shall be at the SVT Supplier's expense and shall be delivered to Company facilities in accordance with the contract between the Company and the SVT Supplier.

**Date Issued:** May 16, 2001

**Date Effective:** May 1, 2002

Changes are not indicated by an asterisk (\*) because this rider has been rewritten in its entirety.

Issued by Katherine A. Donofrio, Vice President  
130 East Randolph Drive, Chicago, Illinois 60601

**The Peoples Gas Light and Coke Company**

**RIDER TO SCHEDULE OF RATES FOR GAS SERVICE**

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**Section K - Terms of Service - continued**

The Company shall not be obligated to accept delivery of any SVT Supplier-owned gas that does not conform to the quality specifications in the contract between the Company and the SVT Supplier hereunder.

If the SVT Supplier shall fail to comply with or perform any of the conditions or obligations on the SVT Supplier's part to be complied with or performed under the contract between the SVT Supplier and the Company, the Company may: (i) after verbal notice to the SVT Supplier, confirmed in writing, suspend receipt of SVT Supplier-owned gas into the Company's system until the SVT Supplier shall make good such failure; or (ii) terminate all service 10 days after providing written notice of the Company's intention to terminate service unless within such 10 days the SVT Supplier shall make good such failure. The suspension or termination of service for any such cause shall not release the SVT Supplier from the obligation to make payment of any amounts due or to become due in accordance with terms of the SVT Supplier's contract with the Company.

Upon termination of service, the SVT Supplier's Pool MSQ, adjusted for the cumulative MSA at the time of termination, shall be cashed out at an amount equal to an Average AMIP. The Average AMIP shall be determined by using the AMIPs in effect for the most recent six months preceding and including the month of termination. The SVT Supplier shall also cash-out the Monthly Cash-out Quantity pursuant to Section D, Cash-out Charge, of this rider.

The Company may terminate service to a Rider SVT customer in accordance with Rider SVT and 83 Illinois Administrative Code Part 280. The Company shall notify the SVT Supplier of the termination date that said customer is no longer eligible for Rider SVT. Subsequent RDDQs shall exclude said customer's consumption.

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**Section K - Terms of Service - continued**

SVT Suppliers may terminate service to a Rider SVT customer subject to contractual provisions between the SVT Supplier and the Rider SVT customer. SVT Suppliers must provide the customer at least 30 days written notice prior to the date of the intended termination. The SVT Supplier shall notify the Company of all customers terminated from a SVT Supplier's Pool(s) via the electronic data transmission described in Section J. The effective date of termination shall be the first day of the customer's next Billing Cycle following the date the SVT Supplier provides notice to the Company. Subsequent RDDQs shall exclude said customer's consumption.

This rider is subject to Terms and Conditions of Service and Riders to Schedule of Rates for Gas Service, which are applicable to this rider.

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